

KAMIESBERG

MUNICIPALITY



[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2014

KAMIESBERG MUNICIPALITY

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KAMIESBERG MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

GENERAL INFORMATION

NATURE OF BUSINESS

Kamiesberg Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Kamiesberg Municipality includes the following areas of Garies, Hondeklipbaai, Kamassies, Kheis, Kharkams, Kamieskroon, Klipfontein, Leliefontein, Lepelsfontein, Nourivier, Paulshoek, Rooifontein, Soebatsfontein, Spoegrivier and Tweerivier.

MUNICIPAL MANAGER

JG Cloete

CHIEF FINANCIAL OFFICER

R Beukes

REGISTERED OFFICE

Private Bag X200
Garies
8220

AUDITORS

Auditor-General
Private Bag X5013
KIMBERLEY
8300

PRINCIPLE BANKERS

First Nasional Bank

ATTORNEYS

Schreuders

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALBC Leave Regulations
Municipal Budget and Reporting Regulations

KAMIESBERG MUNICIPALITY

MEMBERS OF THE KAMIESBERG MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

EA Stewens
PJ Willems
HG Links
MJ Cloete
SC Nero
MR Klaase
MS Cardinal

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 91 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

JG Cloete
Municipal Manager

Date

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

	Notes	2014 R	2013 R
NET ASSETS AND LIABILITIES			
Net Assets		61 984 878	85 384 257
Accumulated Surplus/(Deficit)		61 984 878	85 384 257
Non-Current Liabilities		10 680 202	11 498 885
Long-term Liabilities	2	290 285	453 682
Non-current Provisions	3	8 056 816	9 278 566
Non-current Employee Benefits	4	2 333 101	1 766 636
Current Liabilities		43 000 993	24 079 240
Consumer Deposits	5	29 670	29 670
Current Employee Benefits	6	1 538 173	1 215 477
Payables from exchange transactions	7	26 587 157	13 487 463
Unspent Conditional Government Grants and Receipts	8	13 095 075	5 217 917
Cash and Cash Equivalents	18.2	1 587 520	3 967 366
Current Portion of Long-term Liabilities	2	163 397	161 347
Total Net Assets and Liabilities		115 666 072	120 962 381
ASSETS			
Non-Current Assets		104 431 667	113 239 598
Property, Plant and Equipment	11	103 787 573	112 564 059
Investment Property	12	502 059	502 059
Intangible Assets	13	142 034	173 479
Current Assets		11 234 406	7 722 784
Inventory	14	53 638	75 211
Receivables from exchange transactions	15	1 216 135	2 994 499
Receivables from non-exchange transactions	16	5 251 429	2 014 635
Unpaid Conditional Government Grants and Receipts	8	1 339 402	-
Operating Lease Asset	17	1 471	2 635
Taxes	10.1	2 798 496	2 029 103
Cash and Cash Equivalents	18.1	573 834	606 702
Total Assets		115 666 072	120 962 381

KAMIESBERG MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R
REVENUE			
Revenue from Non-exchange Transactions		18 032 068	38 361 072
Taxation Revenue		3 256 890	2 807 223
Property Rates	19	3 256 890	2 807 223
Transfer Revenue		14 762 776	35 550 609
Government Grants and Subsidies	20	14 166 607	34 730 477
Public Contributions and Donations	21	596 169	473 515
Contributed Property, Plant and Equipment	22	-	346 617
Other Revenue		12 402	3 240
Fines		934	553
Actuarial Gains	4	11 468	2 687
Revenue from Exchange Transactions		12 308 373	10 871 212
Service Charges	23	8 170 459	6 984 540
Rental of Facilities and Equipment	24	213 720	158 928
Interest Earned - external investments	25	73 864	87 603
Interest Earned - outstanding receivables	26	2 444 735	2 089 763
Licences and Permits		342 124	124 033
Income for Agency Services		399 806	343 398
Other Income	27	663 665	1 082 947
Total Revenue		30 340 441	49 232 283
EXPENDITURE			
Employee related costs	28	(14 789 797)	(13 404 958)
Remuneration of Councillors	29	(1 809 256)	(2 031 259)
Debt Impairment	30	(4 105 426)	(4 853 085)
Depreciation and Amortisation	31	(8 627 323)	(8 406 225)
Repairs and Maintenance		(902 474)	(2 051 072)
Actuarial Losses	4	(311 813)	(82 113)
Finance Costs	32	(698 708)	(772 345)
Bulk Purchases	33	(10 648 946)	(7 214 611)
Contracted Services		(599 677)	(401 709)
Other Operating Grant Expenditure	34	(7 609 310)	(8 827 434)
General Expenses	35	(3 619 136)	(3 962 266)
Total Expenditure		(53 721 865)	(52 007 075)
Operating Surplus for the Year		(23 381 425)	(2 774 792)
Gains/(Loss) on Sale of Assets	36	(17 955)	(23 186)
(Impairment loss)/Reversal of impairment loss	37	-	61 044
NET SURPLUS/(DEFICIT) FOR THE YEAR		(23 399 379)	(2 736 934)

KAMIESBERG MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2014

	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2012	87 785 647	87 785 647
Correction of Error - note 38.9	335 543	335 543
Restated balance	88 121 190	88 121 190
Net Surplus/(Deficit) for the year	(2 736 934)	(2 736 934)
Net Surplus/(Deficit) previously reported	(2 963 851)	(2 963 851)
Effects of Correction of Errors - note 38.10	226 917	226 917
Transfer to/from CRR	-	-
Property, Plant and Equipment purchased	-	-
Restated balance	85 384 256	85 384 256
Net Surplus/(Deficit) for the year	(23 399 379)	(23 399 379)
Transfer to/from CRR	-	-
Property, Plant and Equipment purchased	-	-
Balance at 30 June 2014	61 984 877	61 984 877

KAMIESBERG MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 R	2013 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		1 918 604	6 619 833
Sale of goods and services		6 389 623	6 150 584
Grants		20 704 363	33 742 569
Investment Income		73 864	87 603
Other receipts		2 217 581	5 522 690
Cash payments			
Employee costs		(16 163 953)	(14 975 065)
Suppliers		(11 045 625)	(19 059 190)
Finance costs		(88 946)	(129 980)
Net Cash from Operating Activities	39	4 005 512	17 959 044
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(1 515 143)	(18 486 140)
Proceeds on Disposal of Fixed Assets		17 955	119 079
Net Cash from Investing Activities		(1 497 188)	(18 367 061)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans raised		-	346 248
Loans repaid		(161 347)	(312 917)
Net Cash from Financing Activities		(161 347)	33 332
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 346 977	(374 686)
Cash and Cash Equivalents at the beginning of the year		(3 360 663)	(2 985 976)
Cash and Cash Equivalents at the end of the year	40	(1 013 686)	(3 360 663)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 346 978	(374 688)

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2014

Notes	Original Budget	Budget Adjustments	Final Adjustment Budget	Shifting of Funds	Virement	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		(i.t.o. s28 and s31 of the MFMA)		(i.t.o. s31 of the MFMA)	(i.t.o. Council approved by- law)		2014	%
	R	R	R	R	R	R	R	
ASSETS								
Current Assets								
Cash	19 450 000	-	19 450 000	-	-	19 450 000	-	-100.00%
Call Investment Deposits	-	-	-	-	-	-	573 834	100.00%
Consumer Debtors	(7 580 000)	-	(7 580 000)	-	-	(7 580 000)	6 444 081	-185.01%
Other Debtors	-	-	-	-	-	-	2 823 450	100.00%
Current Portion of long-term receivables	-	-	-	-	-	-	-	-
Inventory	107 000	-	107 000	-	-	107 000	53 638	-49.87%
Total Current Assets	44.2.1	11 977 000	-	11 977 000	-	11 977 000	9 895 004	-17.38%
Non-Current Assets								
Long-term receivables	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investment Property	-	-	-	-	-	-	502 059	100.00%
Investment in Associates	-	-	-	-	-	-	-	-
Property, Plant and Equipment	388 428 000	-	388 428 000	-	-	388 428 000	103 787 573	-73.28%
Agricultural Assets	-	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-	-
Intangible Assets	262 000	-	262 000	-	-	262 000	142 034	-45.79%
Other Non-Current Assets	-	-	-	-	-	-	-	-
Total Non-Current Assets	44.2.2	388 690 000	-	388 690 000	-	388 690 000	104 431 667	-73.13%
TOTAL ASSETS		400 667 000	-	400 667 000	-	400 667 000	114 326 671	-71.47%
LIABILITIES								
Current Liabilities								
Bank Overdraft	300 000	-	300 000	-	-	300 000	1 587 520	429.17%
Borrowing	-	-	-	-	-	-	163 397	100.00%
Consumer Deposits	22 000	-	22 000	-	-	22 000	29 670	34.86%
Trade and Other Payables	33 255 000	-	33 255 000	-	-	33 255 000	38 342 831	15.30%
Provisions	288 000	-	288 000	-	-	288 000	1 538 173	434.09%
Total Current Liabilities	44.2.3	33 865 000	-	33 865 000	-	33 865 000	41 661 591	23.02%
Non-Current Liabilities								
Borrowing	1 427 000	-	1 427 000	-	-	1 427 000	290 285	-79.66%
Provisions	-	-	-	-	-	-	10 389 917	100.00%
Total Non-Current Liabilities	44.2.4	1 427 000	-	1 427 000	-	1 427 000	10 680 202	648.44%
TOTAL LIABILITIES		35 292 000	-	35 292 000	-	35 292 000	52 341 793	48.31%
NET ASSETS								
Accumulated Surplus/(Deficit)	365 375 000	-	365 375 000	-	-	365 375 000	61 984 878	-83.04%
Reserves	-	-	-	-	-	-	-	-
Minorities' Interests	-	-	-	-	-	-	-	-
TOTAL NET ASSETS	44.2.5	365 375 000	-	365 375 000	-	365 375 000	61 984 878	-83.04%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2014 R	%
REVENUE									
	Property Rates	2 588 000	(2 439 000)	149 000	-	-	149 000	3 256 890	2085.83%
	Property Rates - Penalties & Collection Charges	-	-	-	-	-	-	-	
	Service Charges - Electricity Revenue	3 078 000	856 000	3 934 000	-	-	3 934 000	3 393 976	-13.73%
	Service Charges - Water Revenue	3 298 000	437 000	3 735 000	-	-	3 735 000	2 580 065	-30.92%
	Service Charges - Sanitation Revenue	1 051 000	(63 000)	988 000	-	-	988 000	1 222 715	23.76%
	Service Charges - Refuse Revenue	1 552 000	507 000	2 059 000	-	-	2 059 000	973 703	-52.71%
	Service Charges - Other Revenue	18 000	-	18 000	-	-	18 000	-	-100.00%
	Rental of Facilities and Equipment	70 000	-	70 000	-	-	70 000	213 720	205.31%
	Interest Earned - External Investments	-	-	-	-	-	-	73 864	100.00%
	Interest Earned - Outstanding Debtors	1 969 000	-	1 969 000	-	-	1 969 000	2 444 735	24.16%
	Dividends Received	-	-	-	-	-	-	-	
	Fines	-	-	-	-	-	-	934	100.00%
	Licences and Permits	-	-	-	-	-	-	342 124	100.00%
	Agency Services	-	-	-	-	-	-	399 806	100.00%
	Transfers Recognised - Operational	17 899 000	402 000	18 301 000	-	-	18 301 000	13 628 732	-25.53%
	Other Revenue	639 000	-	639 000	-	-	639 000	1 271 301	98.95%
	Gains on Disposal of PPE	-	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)									
44.2.6		32 162 000	(300 000)	31 862 000	-	-	31 862 000	29 802 565	-6.46%
EXPENDITURE									
	Employee Related Costs	15 749 000	(42 000)	15 707 000	-	-	15 707 000	15 101 610	-3.85%
	Remuneration of Councillors	1 841 000	(127 000)	1 714 000	-	-	1 714 000	1 809 256	5.56%
	Debt Impairment	-	-	-	-	-	-	4 105 426	100.00%
	Depreciation and Asset Impairment	2 709 000	-	2 709 000	-	-	2 709 000	8 627 323	218.47%
	Finance Charges	-	-	-	-	-	-	698 708	100.00%
	Bulk Purchases	6 480 000	-	6 480 000	-	-	6 480 000	10 648 946	64.34%
	Other Materials	-	-	-	-	-	-	-	
	Contracted Services	-	-	-	-	-	-	599 677	100.00%
	Transfers and Grants	-	-	-	-	-	-	-	
	Other Expenditure	9 411 000	-	9 411 000	-	-	9 411 000	12 130 919	28.90%
	Loss on Disposal of PPE	-	-	-	-	-	-	17 955	100.00%
Total Expenditure									
44.2.7		36 190 000	(169 000)	36 021 000	-	-	36 021 000	53 739 820	49.19%
Surplus/(Deficit)									
		(4 028 000)	(131 000)	(4 159 000)	-	-	(4 159 000)	(23 937 255)	475.55%
	Transfers Recognised - Capital	12 095 000	-	12 095 000	-	-	12 095 000	537 876	-95.55%
	Contributions Recognised - Capital	-	-	-	-	-	-	-	
	Contributed Assets	-	-	-	-	-	-	-	
Surplus/(Deficit) after Capital Transfers & Contributions									
		8 067 000	(131 000)	7 936 000	-	-	7 936 000	(23 399 379)	-394.85%
	Taxation	-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation									
		8 067 000	(131 000)	7 936 000	-	-	7 936 000	(23 399 379)	-394.85%
	Attributable to Minorities	-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality									
		8 067 000	(131 000)	7 936 000	-	-	7 936 000	(23 399 379)	-394.85%
	Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	
Surplus/(Deficit) for the year									
		8 067 000	(131 000)	7 936 000	-	-	7 936 000	(23 399 379)	-394.85%

KAMIESBERG MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome 2014 R	Actual Outcome as % of Final Budget %
		R	R	R	R	R	R	R	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
	Ratepayers and other	29 138 000	-	29 138 000	-	-	29 138 000	10 525 808	-63.88%
	Government - Operating	16 221 000	-	16 221 000	-	-	16 221 000	13 909 363	-14.25%
	Government - Capital	12 095 000	-	12 095 000	-	-	12 095 000	6 795 000	-43.82%
	Interest	-	-	-	-	-	-	73 864	100.00%
	Dividends	-	-	-	-	-	-	-	
Payments									
	Suppliers and Employees	(25 140 000)	-	(25 140 000)	-	-	(25 140 000)	(27 209 577)	8.23%
	Finance Charges	(64 000)	-	(64 000)	-	-	(64 000)	(88 946)	38.98%
	Transfers and Grants	-	-	-	-	-	-	-	
Net Cash from/(used) Operating Activities	44.2.8	32 250 000	-	32 250 000	-	-	32 250 000	4 005 512	-87.58%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
	Proceeds on disposal of PPE	-	-	-	-	-	-	17 955	100.00%
	Decrease/(Increase) in Non-Current Debtors	-	-	-	-	-	-	-	
	Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	
	Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	
Payments									
	Capital Assets	(11 095 000)	-	(11 095 000)	-	-	(11 095 000)	(1 515 143)	-86.34%
Net Cash from/(used) Investing Activities	44.2.9	(11 095 000)	-	(11 095 000)	-	-	(11 095 000)	(1 497 188)	-86.51%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
	Short Term Loans	-	-	-	-	-	-	-	
	Borrowing long term/refinancing	-	-	-	-	-	-	-	
	Increase/(Decrease) in Consumer Deposits	-	-	-	-	-	-	-	
Payments									
	Repayment of Borrowing	-	-	-	-	-	-	(161 347)	100.00%
Net Cash from/(used) Financing Activities	44.2.10	-	-	-	-	-	-	(161 347)	100.00%
NET INCREASE/(DECREASE) IN CASH HELD									
	Cash and Cash Equivalents at the year begin:	21 155 000	-	21 155 000	-	-	21 155 000	2 346 977	-88.91%
		4 253 000	-	4 253 000	-	-	4 253 000	(3 360 663)	-179.02%
	Cash and Cash Equivalents at the year end:	25 408 000	-	25 408 000	-	-	25 408 000	(1 013 687)	-103.99%

INSERT ACCOUNTING POLICY

Separate document pages 11 to 49

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
2. LONG TERM LIABILITIES		
Capitalised Lease Liability - At amortised cost	453 682	615 029
	453 682	615 029
Less: Current Portion transferred to Current Liabilities	(163 397)	(161 347)
Capitalised Lease Liability - At amortised cost	(163 397)	(161 347)
Total Long-term Liabilities - At amortised cost using the effective interest rate method	290 285	453 682

2.1 The obligations under finance leases are scheduled below:**Minimum
payments**

Amounts payable under finance leases:

Payable within one year	225 555	250 311
Payable within two to five years	344 985	570 540
Payable after five years	-	-
	570 540	820 851
Less: Future finance obligations	(116 857)	(205 821)
Present value of finance lease obligations	453 683	615 030

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Nashua Mobile	Laptops & Modems	10%	0%	2 Years	31/01/2015
Nashua	Fax machines and Copiers	14%	0%	5 Years	28/02/2018

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 11

3. NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	8 056 816	9 278 566
Total Non-current Provisions	8 056 816	9 278 566

3.1 Landfill Sites

Balance 1 July	9 278 566	8 810 953
Contribution for the year	456 046	528 657
Change in Provision for Rehabilitation Cost	(1 677 796)	-
Correction of Error - Note 38.1	-	(61 044)
Total provision 30 June	8 056 816	9 278 566
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June	8 056 816	9 278 566

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Hondeklip Bay	Klipfontein	Soebatsfontein	Garies
Area (m²)	10 560	2 550	7 650	10 080
Rehabilitation volume (m³)	1 056	213	319	4 200
Fence (m)	420	-	350	-
Cost of fence (Rand)	243 600	-	203 000	-
Site Clearance (Rand)	62 477	12 540	19 078	246 582
Excavation cost (Rand)	121 115	91 500	128 775	506 675
Filling (Rand)	284 986	132 600	407 160	524 160
Preliminary and general (Rand)	106 827	35 496	113 702	191 613
Fees and expenses (Rand)	81 901	27 214	87 171	146 903

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	Tweerivier	Kharkams	Spoegrivier	Nourivier
Area (m ²)	120	4 000	2 400	560
Rehabilitation volume (m ³)	30	750	150	56
Fence (m)	-	-	200	-
Cost of fence (Rand)	-	-	116 000	-
Site Clearance (R40/m ³)	1 898	45 600	8 871	3 336
Excavation cost (R40/m ³)	30 823	270 000	70 578	34 264
Filling (R20/m ²)	6 926	208 000	129 480	29 120
Preliminary and general (Rand)	5 947	78 540	48 739	10 008
Fees and expenses (Rand)	4 559	60 214	37 367	7 673

	Leliefontein	Rooifontein/ Kamassies	Paulshoek	Kamieskroon
Area (m ²)	540	480	200	12 740
Rehabilitation volume (m ³)	405	168	200	1 593
Fence (m)	-	-	-	460
Cost of fence (Rand)	-	-	-	266 800
Site Clearance (R40/m ³)	24 008	10 123	11 942	95 311
Excavation cost (R40/m ³)	101 608	76 610	86 778	762 005
Filling (R20/m ²)	28 080	24 960	10 400	662 480
Preliminary and general (Rand)	23 054	16 754	16 368	267 989
Fees and expenses (Rand)	17 675	12 845	12 549	205 459

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. Total cost and estimated date of decommission of the sites are as follows:

	Estimated decommission date	2014 R	2013 R
Location			
Hondeklip Bay	2033	3 434 542	3 255 793
Klipfontein	2033	960 056	1 460 453
Soebatsfontein	2033	3 075 278	3 434 386
Garies	2018	2 254 699	2 283 260
Tweerivier	2033	160 849	695 424
Kharkams	2033	2 124 259	2 555 977
Spoegrivier	2033	1 318 245	1 783 113
Nourivier	2033	270 684	803 564
Leliefontein	2033	623 548	1 134 344
Rooifontein/Kamassies	2033	453 142	974 203
Paulshoek	2033	442 701	965 115
Kamieskroon	2033	7 248 270	7 419 058
		22 366 273	26 764 691

4. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1 657 413	1 166 231
Provision for Long Service Awards	675 688	600 405
Total Non-current Employee Benefits	2 333 101	1 766 636

Post Retirement Health Care Benefits

Balance 1 July	1 197 899	976 057
Contribution for the year	212 221	169 994
Expenditure for the year	(29 984)	(30 265)
Actuarial Loss/(Gain)	311 813	82 113
Total provision 30 June	1 691 949	1 197 899
Less: Transfer of Current Portion to Current Provisions - Note 6	(34 536)	(31 668)
Balance 30 June	1 657 413	1 166 231

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<u>Long Service Awards</u>		
Balance 1 July	694 115	590 675
Contribution for the year	120 121	116 696
Expenditure for the year	(27 966)	(10 569)
Actuarial Loss/(Gain)	(11 468)	(2 687)
Total provision 30 June	774 802	694 115
Less: Transfer of Current Portion to Current Provisions - Note 6	(99 114)	(93 710)
Balance 30 June	675 688	600 405

4.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	17	15
In-service (employee) non-members	67	68
Continuation members (e.g. Retirees, widows, orphans)	2	2
Total Members	86	85

The liability in respect of past service has been estimated to be as follows:

In-service members	741 939	513 533
In-service non-members	643 148	394 603
Continuation members	306 862	289 763
Total Liability	1 691 949	1 197 899

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
In-service members	393 335	-	-
In-service non-members	300 382	-	-
Continuation members	282 340	-	-
Total Liability	976 057	-	-

The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no liability figures available on or before 30 June 2012 to fully comply with GRAP 25.

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R161 193, whereas the Interest Cost for the next year is estimated to be R149 044.

Key actuarial assumptions used:	2014 %	2013 %
i) Rate of interest		
Discount rate	8.90%	9.11
Health Care Cost Inflation Rate	8.10%	7.98
Net Effective Discount Rate	0.73%	1.05

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 63 years for males and 58 years for females.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 691 949	1 197 899
Fair value of plan assets	-	-
	<u>1 691 949</u>	<u>1 197 899</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>1 691 949</u>	<u>1 197 899</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 197 899	976 057
Total expenses	182 237	139 729
Current service cost	104 547	93 260
Interest Cost	107 674	76 734
Benefits Paid	(29 984)	(30 265)
Actuarial (gains)/losses	311 813	82 113
Present value of fund obligation at the end of the year	<u>1 691 949</u>	<u>1 197 899</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability

	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption				
Central Assumptions	1.385	0.307	1.692	

The effect of movements in the assumptions are as follows:

	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Assumption					
Health care inflation	1%	1.638	0.322	1.960	16.00%
Health care inflation	-1%	1.179	0.293	1.472	-13.00%
Post-retirement mortality	-1 year	1.385	0.323	1.708	1.00%
Average retirement age	-1 year	1.439	0.307	1.745	3.00%
Withdrawal Rate	-50%	0.940	0.307	1.247	-26.00%

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	122 100	122 200	244 300	15.00%
Health care inflation	-1%	87 400	94 000	181 400	-15.00%
Post-retirement mortality	-1 year	108 900	112 500	221 400	4.00%
Average retirement age	-1 year	118 800	116 600	235 400	11.00%
Withdrawal Rate	-50%	120 700	116 900	237 600	12.00%

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	311 813	82 113
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
Liabilities: (Gain) / loss	41 262	-	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no experience adjustment figures available on or before 30 June 2012 to fully comply with GRAP 25.

	2014 R	2013 R
4.2 Provision for Long Service Bonuses		
The Long Service Bonus plans are defined benefit plans. As at year end, 84 employees were eligible for Long Service Bonuses.		
The Current-service Cost for the ensuing year is estimated to be R75 627 whereas the Interest Cost for the next year is estimated to be R56 864.		
Key actuarial assumptions used:	2014 %	2013 %
i) Rate of interest		
Discount rate	7.83%	7.10
General Salary Inflation (long-term)	7.02%	6.69
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.75%	0.39

	2014 R	2013 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	774 802	694 115
Fair value of plan assets	-	-
	<hr/>	<hr/>
	774 802	694 115
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
	<hr/>	<hr/>
Net liability/(asset)	774 802	694 115
	<hr/>	<hr/>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	694 115	590 675
Total expenses	92 155	106 127
Current service cost	74 079	79 722
Interest Cost	46 042	36 974
Benefits Paid	(27 966)	(10 569)
Actuarial (gains)/losses	(11 468)	(2 687)
	<hr/>	<hr/>
Present value of fund obligation at the end of the year	774 802	694 115
	<hr/>	<hr/>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Unfunded Accrued Liability

	Change	Liability (Rm)	% change
Assumption			
Central assumptions			
General salary inflation	1%	0.823	6%
General salary inflation	-1%	0.731	-6%
Average retirement age	-2 yrs	0.714	-8%
Average retirement age	2 yrs	0.850	10%
Withdrawal rates	-50%	0.941	21%

	2014 R	2013 R
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(11 468)	(2 687)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R	2011 R	2010 R
Liabilities: (Gain) / loss	14 258	-	-
Assets: Gain / (loss)	-	-	-

The municipality performed their first actuarial valuation on 30 June 2012. Thus there are no experience adjustment figures available on or before 30 June 2012 to fully comply with GRAP 25.

4.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<u>CAPE JOINT RETIREMENT FUND</u>		
The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2013 revealed that the fund is in a sound financial position with a funding level of 105,1% (30 June 2012 - 108,0%).		
Contributions paid recognised in the Statement of Financial Performance	713 108	354 362

DEFINED CONTRIBUTION FUNDS

Council contribute to the Government Employees Pension Fund, Municipal Council Pension Fund, IMATU Retirement Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

National Fund Municipal Workers	73 224	75 023
SAMWU National Provident Fund	652 828	595 992
	<u>726 053</u>	<u>671 015</u>

5. CONSUMER DEPOSITS

Water and Electricity	29 670	29 670
Total Consumer Deposits	<u>29 670</u>	<u>29 670</u>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

Consumer Deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the municipality can utilise the deposit as payment for the outstanding amount.

6. CURRENT EMPLOYEE BENEFITS

Staff Bonuses	359 820	297 822
Staff Leave	1 044 703	792 276
Current Portion of Non-Current Provisions	133 650	125 378
Current Portion of Post Retirement Benefits - Note 4	34 536	31 668
Current Portion of Long-Service Provisions - Note 4	99 114	93 710
Total Provisions	<u>1 538 173</u>	<u>1 215 477</u>

The movement in current provisions are reconciled as follows:

6.1 Staff Bonuses

Balance at beginning of year	297 822	278 234
Contribution to current portion	757 140	633 243
Expenditure incurred	(695 142)	(613 654)
Balance at end of year	<u>359 820</u>	<u>297 822</u>

Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
6.2 Staff Leave		
Balance at beginning of year	792 276	482 861
Contribution to current portion	275 082	373 478
Expenditure incurred	(22 655)	(64 062)
Balance at end of year	1 044 703	792 276

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

7. PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	22 157 526	12 158 508
Payments received in advance	765 926	745 504
Retentions	68 165	184 727
Other Creditors	3 595 541	2 327 770
Deposits: Other	-	-
Correction of Error - Note 38.2	-	(1 929 045)
Total Trade Payables	26 587 157	13 487 463

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

8. UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

Unspent Grants	13 095 075	5 217 918
National Government Grants	10 591 953	4 231 480
Provincial Government Grants	2 067 985	986 438
District Municipality	435 137	-
Other Sources	-	-
Less: Unpaid Grants	(1 339 402)	-
National Government Grants	(47 490)	-
Provincial Government Grants	(1 291 912)	-
District Municipality	-	-
Other Sources	-	-
Total Conditional Grants and Receipts	11 755 673	5 217 918

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

9. TAXES

9.1 VAT Receivable	2 798 496	3 496 820
Correction of Error - Note 38.3	-	(1 467 717)
Total Taxes	2 798 496	2 029 103

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

10. SHORT-TERM LOANS

The Municipality has no short term loans.

11. PROPERTY, PLANT AND EQUIPMENT

[See attached sheet](#)

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
11.3 Assets pledged as security:		
Leased Property, Plant and Equipment of Rxxx xxx (2013: R578 924 is secured for leases as set out)		
12. INVESTMENT PROPERTY		
Net Carrying amount at 1 July	502 059	502 059
Cost	502 059	502 059
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Acquisitions	-	-
Depreciation for the year	-	-
Net Carrying amount at 30 June	502 059	502 059
Cost	502 059	502 059
Accumulated Depreciation	-	-
Accumulated Impairment Loss	-	-
Estimate Fair Value of Investment Property at 30 June	502 059	502 059
13. INTANGIBLE ASSETS		
Net Carrying amount at 1 July	173 480	204 925
Cost	262 405	262 405
Accumulated Amortisation	(88 925)	(57 480)
Accumulated Impairment Loss	-	-
Acquisitions	-	-
Amortisation	(31 445)	(88 456)
Correction of Error - Note 38.5	-	57 011
Net Carrying amount at 30 June	142 034	173 480
Cost	262 405	262 405
Accumulated Amortisation	(120 370)	(88 925)
Accumulated Impairment Loss	-	-
No intangible asset were assessed having an indefinite useful life.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There are no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		
14. INVENTORY		
Consumable Stores - Stationery and materials - At cost	42 214	52 427
Maintenance Materials - At cost	-	-
Water - At purification cost	11 425	-
Correction of Error - Note 38.6	-	22 784
Total Inventory	53 638	75 211
The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
Materials written down due to losses as identified during the annual stores counts:		
Consumable Stores - Stationery and materials - At cost	-	71 156
	-	71 156
No inventory assets were pledged as security for liabilities.		

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
15. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	4 284 276	3 655 580
Water	8 322 017	6 412 326
Refuse	3 618 153	2 929 663
Sewerage	1 900 324	1 363 764
Other Arrears	10 409 679	9 106 992
Total: Receivables from exchange transactions (before provision)	28 534 448	23 468 327
Less: Provision for Debt Impairment	(27 318 313)	(20 473 828)
Total: Receivables from exchange transactions (after provision)	1 216 135	2 994 499

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	215 110	237 174
31 - 60 Days	222 318	177 739
61 - 90 Days	176 725	157 790
+ 90 Days	3 670 123	3 082 876
Total	4 284 276	3 655 580

(Water): Ageing

Current (0 - 30 days)	285 310	248 405
31 - 60 Days	332 944	227 001
61 - 90 Days	266 154	276 237
+ 90 Days	7 437 609	5 660 684
Total	8 322 017	6 412 326

(Refuse): Ageing

Current (0 - 30 days)	103 208	82 236
31 - 60 Days	97 372	128 658
61 - 90 Days	88 263	122 564
+ 90 Days	3 329 310	2 596 206
Total	3 618 153	2 929 663

(Sewerage): Ageing

Current (0 - 30 days)	95 562	70 657
31 - 60 Days	86 613	82 863
61 - 90 Days	73 047	78 984
+ 90 Days	1 645 102	1 131 260
Total	1 900 324	1 363 764

(Other): Ageing

Current (0 - 30 days)	83 859	78 581
31 - 60 Days	89 670	79 139
61 - 90 Days	82 765	77 473
+ 90 Days	10 153 385	8 871 798
Total	10 409 679	9 106 992

(Total): Ageing

Current (0 - 30 days)	783 049	717 053
31 - 60 Days	828 917	695 401
61 - 90 Days	686 954	713 048
+ 90 Days	26 235 528	21 342 824
Total	28 534 448	23 468 327

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	20 473 828	16 522 085
Contribution to provision	6 003 934	3 466 442
VAT on provision	840 551	485 302
Bad Debts written off against provision	-	-
Reversal of provision	-	-
Balance at end of year	27 318 313	20 473 828

The total amount of this provision is R27 318 313 and consist of:

Services	16 366 103	13 035 442
Other Debtors	10 952 210	7 438 386
Total Provision for Debt Impairment on Receivables from exchange transactions	27 318 313	20 473 828

Ageing of amounts past due but not impaired:

31 - 60 Days	-	695 401
61 - 90 Days	-	713 048
+ 90 Days	433 086	868 996
	433 086	2 277 446

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

16. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	8 392 502	7 060 268
Other Receivables	23 483	123 429
Correction of Error - Note 38.7	-	(105 998)
	8 415 985	7 077 699
Less: Provision for Debt Impairment	(3 164 556)	(5 063 065)
Total Receivables from non-exchange transactions	5 251 429	2 014 634

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	141 450	131 524
31 - 60 Days	430 870	125 611
61 - 90 Days	129 593	117 854
+ 90 Days	7 690 589	6 685 278
Total	8 392 502	7 060 268

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	5 063 065	3 676 422
Contribution to provision	-	1 386 643
Bad Debts written off against provision	-	-
Reversal of provision	(1 898 508)	-
Balance at end of year	3 164 557	5 063 065

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
The total amount of this provision is R3 164 557 and consist of:		
Taxes	3 164 557	5 063 065
Other	-	-
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	3 164 557	5 063 065

Ageing of amounts past due but not impaired:

31 - 60 Days	430 870	125 611
61 - 90 Days	129 593	117 854
+ 90 Days	4 526 032	1 622 214
	5 086 495	1 865 679

The provision for doubtful debts on debtors (loans and receivables) exists due to the possibility that not all debts will be recovered. Loans and receivables were assessed individually and grouped together at the Statement of Financial Position date as financial assets with similar credit risk characteristics and collectively assessed for impairment.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

17. OPERATING LEASE ARRANGEMENTS

17.1 The Municipality as Lessor

Operating Lease Asset	1 471	2 635
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Reconciliation

Balance at the beginning of the year	2 634	2 857
Movement during the year	(1 164)	(223)
Balance at the end of the year	1 470	2 634

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	12 144	15 410
1 to 5 Years	116	12 260
More than 5 Years	-	-
Total Operating Lease Arrangements	12 260	27 670

Operating Leases relate to Property owned by the municipality with lease terms of between 15 to 21 (2013: 27 to 33) months, with an option to extend. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

The impact of charging the escalations in Operating Leases on a straight-line basis over the term of the lease has been an decrease of R1 164 (2013: Decrease of R223) in current year income.

The following restrictions have been imposed by the municipality in terms of the lease agreements:

- (i) The lessee shall not have the right to sublet, cede or assign the whole or any portion of the premises let.
- (ii) The lessor is the duly authorised agent, representative or servant shall have the right at all reasonable times to inspect the premises let.
- (iii) The lessee shall use the premises let for the sole purpose prescribed in the agreement.

18. BANK ACCOUNTS

18.1 Cash and Cash Equivalents

Call Investments Deposits	573 834	641 690
Correction of Error - Note 38.8	-	(34 988)
Total Cash and Cash Equivalents - Assets	573 834	606 702

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
18.2 Liabilities		
Current Accounts	(1 587 520)	(3 967 366)
Total Cash and Cash Equivalents - Liabilities	(1 587 520)	(3 967 366)
Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.		
Call Investments Deposits to an amount of R573 852 are held to fund the Unspent Conditional Grants (2013: R606 712).		
Call Investments of R570 000 are held by First National Bank as security for the overdraft facility of the municipality.		
The municipality has the following bank accounts:		
Current Accounts		
First National Bank - Account Number 620 2250 1440 (Primary Bank Account):	(1 587 520)	(3 967 366)
	(1 587 520)	(3 967 366)
Call Investment Deposits		
First National Bank - Account Number 62012466018:	1 038	1 023
First National Bank - Account Number 62182751729:	10 000	12 126
First National Bank - Account Number 62117682791:	100 303	154 406
First National Bank - Account Number 62117684606:	140	(849)
First National Bank - Account Number 74282299369:	226 703	215 507
First National Bank - Account Number 71053360915:	111 587	106 314
First National Bank - Account Number 71059354764:	124 080	118 185
Momentum 3D Gearing Plan - Account Number 1001327535:	(11)	(11)
	573 841	606 701
Details of current accounts is as follow:		
First National Bank - Account Number 620 2250 1440 (Primary Bank Account):		
Cash book balance at beginning of year	(3 967 366)	(452 783)
Cash book balance at end of year	(1 587 520)	(3 967 366)
Bank statement balance at beginning of year	73 215	704 760
Bank statement balance at end of year	46 326	73 215
Details of call investment accounts are as follow:		
First National Bank - Account Number 62012466018:		
Cash book balance at beginning of year	1 023	111 514
Cash book balance at end of year	1 038	1 023
Bank statement balance at beginning of year	1 023	111 514
Bank statement balance at end of year	1 038	1 023
First National Bank - Account Number 62182751729:		
Cash book balance at beginning of year	12 126	81 186
Cash book balance at end of year	10 000	12 126
Bank statement balance at beginning of year	12 126	81 186
Bank statement balance at end of year	10 000	12 126
First National Bank - Account Number 62117682791:		
Cash book balance at beginning of year	154 406	365 900
Cash book balance at end of year	100 303	154 406
Bank statement balance at beginning of year	154 406	365 900
Bank statement balance at end of year	100 303	154 406

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
First National Bank - Account Number 62117684606:		
Cash book balance at beginning of year	(849)	1 039
Cash book balance at end of year	140	(849)
Bank statement balance at beginning of year	(849)	1 039
Bank statement balance at end of year	140	(849)
First National Bank - Account Number 74282299369:		
Cash book balance at beginning of year	215 507	205 246
Cash book balance at end of year	226 703	215 507
Bank statement balance at beginning of year	215 507	205 246
Bank statement balance at end of year	226 703	215 507
First National Bank - Account Number 71053360915:		
Cash book balance at beginning of year	106 314	101 067
Cash book balance at end of year	111 587	106 314
Bank statement balance at beginning of year	106 314	101 067
Bank statement balance at end of year	111 587	106 314
First National Bank - Account Number 71059354764:		
Cash book balance at beginning of year	118 185	112 352
Cash book balance at end of year	124 080	118 185
Bank statement balance at beginning of year	118 185	112 352
Bank statement balance at end of year	124 080	118 185
Momentum 3D Gearing Plan - Account Number 1001327535:		
Cash book balance at beginning of year	(11)	(11)
Cash book balance at end of year	(11)	(11)
Bank statement balance at beginning of year	(11)	(11)
Bank statement balance at end of year	(11)	(11)
19. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	4 086 386	3 589 765
Less: Rebates	(829 495)	(782 541)
Total Assessment Rates	3 256 890	2 807 223
<u>Valuations - 1 July 2013</u>		
Rateable Land and Buildings	980 107 523	980 107 523
Residential Property	187 830 346	187 830 346
Commercial Property	24 087 336	24 087 336
Industrial Property	21 500	21 500
Public Benefits Organisations	14 456 900	14 456 900
Agricultural Purposes	427 661 500	427 661 500
State - National/ Provincial Services	20 017 500	20 017 500
Municipal Property	306 032 441	306 032 441
Total Assessment Rates	980 107 523	980 107 523
Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.		
Basic Rate		
Residential	1.12254c/R	1.059c/R
Commercial	1.68381c/R	1.58850c/R
Agricultural	0.07413c/R	0.0713c/R
State	2.64750c/R	2.6475c/R
Industrial	2.64750c/R	1.58850c/R

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at a rate determined by council on outstanding rates amounts.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential	- The first R15 000 on the valuation is exempted.
Public Benefit Organisations	-100%
State	- 30%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

	2014 R	2013 R
20. GOVERNMENT GRANTS AND SUBSIDIES		
<u>Unconditional</u>		
Equitable Share	8 728 000	13 374 000
<u>Conditional</u>	5 438 607	21 356 477
Grants and Donations	5 438 607	21 356 477
Subsidies	-	-
Total Government Grants and Subsidies	14 166 607	34 730 477
Government Grants and Subsidies - Operating	13 628 732	33 303 908
Government Grants and Subsidies - Capital	537 876	1 426 568
Total Government Grants and Subsidies	14 166 608	34 730 476
Revenue recognised per vote as required by Section 123 (c) of the MFMA:		
Equitable share	8 728 000	13 374 000
Executive & Council	-	12 797 460
Budget & Treasury	2 813 417	108 070
Corporate Services	243 781	199 665
Planning & Development	121 136	-
Health	-	-
Community & Social Services	-	-
Housing	-	-
Public Safety	-	-
Sport & Recreation	-	-
Environmental Protection	-	-
Waste Management	-	-
Waste Water Management	-	6 824 714
Road Transport	2 051 673	-
Water	-	1 426 568
Electricity	208 600	-
Total Government Grants and Subsidies	14 166 607	34 730 477
20.1 Equitable Share		
Opening balance	-	-
Correction of Error	-	-
Grants received	8 728 000	13 374 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(8 728 000)	(13 374 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
20.2 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 650 000	1 500 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 697 490)	(1 500 000)
Conditions met - Capital	-	-
Conditions still to be met	(47 490)	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

20.3 Municipal Systems Improvement Grant (MSIG)		
Opening balance	372 678	580 355
Correction of Error	-	-
Grants received	890 000	800 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(786 651)	(1 007 677)
Conditions met - Capital	-	-
Conditions still to be met	476 027	372 678

The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

20.4 Municipal Infrastructure Grant (MIG)		
Opening balance	3 685 397	4 975 899
Correction of Error	-	-
Grants received	6 595 000	11 686 000
Interest received	-	-
Repaid to National Revenue Fund	-	(2 696 000)
Conditions met - Operating	-	(10 280 502)
Conditions met - Capital	(329 276)	-
Conditions still to be met	9 951 121	3 685 397

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

20.5 Integrated National Electrification Grant		
Opening balance	173 405	99 973
Correction of Error	-	-
Grants received	200 000	1 500 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(208 600)	(1 426 568)
Conditions still to be met	164 805	173 405

The grant was used to promote rural development and upgrade electricity infrastructure.

20.6 Expanded Public Works Programme (EPWP)		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 000 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(71 380)	-
Conditions met - Capital	-	-
Conditions still to be met	928 620	-

The grant was used for job creation.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
20.7 <u>Department Water Affairs and Environment (DWAF)</u>		
Opening balance	141 362	150 643
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(9 281)
Conditions met - Capital	-	-
Conditions still to be met	<u>141 362</u>	<u>141 362</u>

The grant was used for the refurbishment of water infrastructure.

20.8 <u>Department Cooperative Government, Housing & Traditional Affairs (COHGA)</u>		
Opening balance	504 697	(188 830)
Correction of Error	-	-
Grants received	-	5 828 987
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 796 609)	(5 135 459)
Conditions met - Capital	-	-
Conditions still to be met	<u>(1 291 912)</u>	<u>504 697</u>

The Housing grant was utilised for the development of erven and the erection of top structures.

20.9 <u>Library Grant</u>		
Opening balance	-	(129 431)
Correction of Error	-	-
Grants received	462 000	237 500
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(243 781)	(108 069)
Conditions met - Capital	-	-
Conditions still to be met	<u>218 219</u>	<u>-</u>

The grant was used to finance library activities.

20.10 <u>Project Nala</u>		
Opening balance	236 450	236 450
Correction of Error	-	-
Grants received	504 866	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(121 136)	-
Conditions met - Capital	-	-
Conditions still to be met	<u>620 180</u>	<u>236 450</u>

The grant was used for job creation.

20.11 <u>Department Finance, Economic Development & Tourism</u>		
Opening balance	50 000	50 000
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>50 000</u>	<u>50 000</u>

The grant will be used for the Power Flower Run.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
20.12 Tourism		
Opening balance	22 776	75 703
Correction of Error	-	-
Grants received	55 675	53 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(105 927)
Conditions met - Capital	-	-
Conditions still to be met	<u>78 451</u>	<u>22 776</u>

The grant was used for tourism activities.

20.13 Department Social Services		
Opening balance	482	482
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>482</u>	<u>482</u>

The grant was used for various projects.

20.14 Department Sport, Arts and Culture		
Opening balance	6 262	-
Correction of Error	-	-
Grants received	-	100 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(93 738)
Conditions met - Capital	-	-
Conditions still to be met	<u>6 262</u>	<u>6 262</u>

The grant was used for various projects.

20.15 Drought Relief		
Opening balance	24 409	24 409
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	<u>24 409</u>	<u>24 409</u>

The grant was used for drought relief.

20.16 Namakwa DM		
Opening balance	-	167 166
Correction of Error	-	-
Grants received	618 822	1 522 089
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(183 685)	(1 689 254)
Conditions met - Capital	-	-
Conditions still to be met	<u>435 137</u>	<u>-</u>

The grant was used for various projects.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
20.18 Total Grants		
Opening balance	5 217 918	6 042 818
Correction of Error	-	-
Grants received	20 704 363	36 601 576
Interest received	-	-
Repaid to National Revenue Fund	-	(2 696 000)
Conditions met - Operating	(13 628 732)	(33 303 908)
Conditions met - Capital	(537 876)	(1 426 568)
Conditions still to be met/(Grant expenditure to be recovered)	11 755 673	5 217 917
	11 755 673	5 217 918
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	13 095 075	5 217 918
Unpaid Conditional Government Grants and Receipts	(1 339 402)	-
Total	11 755 673	5 217 918
21. PUBLIC CONTRIBUTIONS AND DONATIONS		
De Beers	490 031	473 515
Other	106 138	-
Total Public Contributions and Donations	596 169	473 515
22. CONTRIBUTED PROPERTY, PLANT AND EQUIPMENT		
Department of Roads and Public Works	-	346 617
Total Contributed Property, Plant and Equipment	-	346 617
23. SERVICE CHARGES		
Electricity	4 299 634	3 736 592
Water	3 268 537	3 039 086
Refuse Removal	1 548 988	1 455 890
Sewerage and Sanitation Charges	1 233 529	1 024 140
Other	-	381 806
	10 350 688	9 637 515
<u>Less:</u> Income Forgone	(2 180 229)	(2 652 974)
Total Service Charges	8 170 459	6 984 540
Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
24. RENTAL OF FACILITIES AND EQUIPMENT		
Rental of facilities	212 728	158 928
Rental of equipment	992	-
Total Rental of Facilities and Equipment	213 720	158 928
25. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	73 864	87 603
Total Interest Earned - External Investments	73 864	87 603
26. INTEREST EARNED - OUTSTANDING RECEIVABLES		
Trade Receivables	2 444 735	2 089 763
Total Interest Earned - Outstanding Receivables	2 444 735	2 089 763

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
27. OTHER INCOME		
Building plans	7 453	7 583
Connection Fees	13 237	17 740
Commission	-	5 027
Motor Vehicle Number plates	3 962	19 118
Opening of graves	5 311	6 086
Photostat, Copies and Faxes	13 151	18 157
Telephone Cost Recover	1 616	13 311
Tender Documents	1 360	2 807
Training	19 707	96 650
Valuation Certificates	11 680	6 522
Royalties	-	253 711
Sale of Erven	-	19 561
Search Fees	20 200	50
Sundry Income	565 988	616 623
Total Other Income	663 665	1 082 947
28. EMPLOYEE RELATED COSTS		
Employee Related Costs - Salaries and Wages	9 852 443	8 970 810
Employee Related Costs - Contributions for UIF and Pensions	1 394 604	1 168 032
Employee Related Costs - Contributions for Medical Aids	263 517	213 084
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	1 448 672	1 258 595
Housing Benefits and Allowances	145 324	136 257
Overtime Payments	474 390	478 479
Bonuses	757 140	633 243
Provision for leave	275 082	373 478
Contribution to provision - Long Service Awards - Note 4	74 079	79 722
Contribution to provision - Post Retirement Medical - Note 4	104 547	93 260
	14 789 797	13 404 958
Less: Employee Costs allocated elsewhere		
Total Employee Related Costs	14 789 797	13 404 958
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
Remuneration of the Municipal Manager - Mr JG Cloete (Current)		
Annual Remuneration	563 544	275 562
Travelling Allowance	96 888	48 444
Telephone Allowance	9 000	4 500
Annual Bonus	-	-
Contributions to UIF, Medical and Pension Funds	9 482	892
Total	678 914	329 398
Remuneration of the Chief Financial Officer - Mr RC Beukes		
Annual Remuneration	266 735	231 584
Car Allowance	66 000	66 000
Telephone allowance	9 000	9 000
Annual Bonus	20 884	-
Contributions to UIF, Medical and Pension Funds	64 487	56 210
Total	427 106	362 794
Remuneration of Manager: Corporate Services - Mrs DC Beukes		
Annual Remuneration	250 305	231 583
Car Allowance	66 000	66 000
Telephone allowance	9 000	9 000
Annual Bonus	19 646	-
Contributions - UIF, Medical, Pension	59 055	15 956
Total	404 006	322 538

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
Remuneration of Manager: Economic Development Services - Mr IE Jenner		
Annual Remuneration	220 423	231 584
Car Allowance	55 000	66 000
Telephone allowance	7 500	9 000
Annual Bonus	19 143	-
Contributions - UIF, Medical, Pension	4 840	1 713
Total	306 906	308 297

Remuneration of Manager: Technical Services - Mr FA Links		
Annual Remuneration	264 260	231 583
Car Allowance	66 000	66 000
Telephone allowance	9 000	9 000
Annual Bonus	20 884	-
Contributions - UIF, Medical, Pension	82 926	69 087
Total	443 070	375 670

29. REMUNERATION OF COUNCILLORS

EA Stewens	195 491	223 212
PJ Willems	195 575	195 980
HG Links	199 637	216 333
MJ Cloete	628 780	737 354
SC Nero	195 395	208 986
MR Klaase	198 999	218 566
MS Cardinal	195 380	230 828
Total Councillors' Remuneration	1 809 257	2 031 259

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	376 075	151 115	19 872	81 716	628 778
Councillors	713 824	272 007	81 576	113 072	1 180 479
Total Councillors' Remuneration	1 089 899	423 122	101 448	194 788	1 809 257

In-kind Benefits

The Councillor occupying the position of Mayor/Speaker of the municipality serves in a full-time capacity and is provided with office accommodation and secretarial support at the expense of the municipality in order to enable the councillor to perform his/her official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

.....
Signed: Municipal Manager

30. DEBT IMPAIRMENT

Receivables from exchange transactions - Note 15	6 844 485	3 951 743
Receivables from non-exchange transactions - Note 16	(1 898 508)	1 386 643
	4 945 977	5 338 387
Less: VAT Portion on Debt Impairment	(840 551)	(485 302)
Total Debt Impairment	4 105 426	4 853 085

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
31. DEPRECIATION AND AMORTISATION		
Property, plant and equipment	8 595 878	8 374 780
Intangible assets	31 445	88 456
Correction of Error - Note 38.10	-	(57 011)
Total Depreciation and Amortisation	8 627 323	8 406 225
32. FINANCE COSTS		
Long-term Liabilities	88 964	96 842
Non-current Provisions	456 046	528 657
Non-current Employee Benefits	153 716	113 708
Creditors	(18)	33 138
Total Finance Costs	698 708	772 345
33. BULK PURCHASES		
Electricity	12 256 501	7 000 374
Water	(1 607 555)	237 021
Correction of Error - Note 38.10	-	(22 784)
Total Bulk Purchases	10 648 946	7 214 611
34. OTHER OPERATING GRANT EXPENDITURE		
Operating Grant Expenditure per Vote		
Budget & Treasury	4 573 697	2 593 400
Corporate Services	248 901	328 116
Planning & Development	82 951	193 603
Road Transport	2 520 778	5 251 709
Electricity	182 983	546 684
Correction of Error - Note 38.10	-	(86 078)
Total Operating Grant Expenditure	7 609 310	8 827 434
35. GENERAL EXPENSES		
Administration Costs	3 550	394 427
Advertising	12 504	1 380
Audit Fees	233 794	878 156
Bank Charges	67 997	141 620
Chemicals and Poison	39 132	1 376
Desalting	111 098	52 851
Fuel and Oil	522 800	728 879
Insurance	348 058	160 051
Legal Costs	71 129	57 951
Levies: SALGA	1 056 758	403 242
Licensing	26 274	36 635
Marketing and Public Relations	105 000	-
Materials	68 536	31 078
Opening of Graves	-	20 279
Printing and Stationery	120 178	242 956
Public Participation	-	15 779
Public Receptions	1 500	2 993
Refreshments	8 052	13 357
Rent - Plant and Vehicles	500	1 464
Special Projects/Programmes	62 856	85 961
Telephone Cost	666 601	443 913
Tourism Strategy	-	72 800
Training Costs	10 808	(5 473)
Ward Committee Meetings	79 647	176 205
Other	2 363	4 390
Total General Expenses	3 619 136	3 962 266
36. GAIN/ (LOSS) ON SALE OF ASSETS		
Property, plant and equipment	(17 955)	(23 186)
Total Gain/ (Loss) on Sale of Assets	(17 955)	(23 186)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
37. (IMPAIRMENT LOSS)/ REVERSAL OF IMPAIRMENT LOSS		
Property, Plant and Equipment	-	61 044
Total (Impairment Loss)/ Reversal of Impairment Loss	-	61 044
38. CORRECTION OF ERROR IN TERMS OF GRAP 3		
The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:		
38.1 Non-Current Provisions		
Balance previously reported	-	9 339 611
Impairment i.t.o. IGRAP 2 not recognised in prior year - Note 3	-	(61 044)
Restated Balance	-	9 278 566
Impairment i.t.o. IGRAP 2 not recognised in prior year.		
38.2 Payables from Exchange Transactions		
Balance previously reported	-	15 416 509
Correction of Suspense Accounts - Note 7	-	(16 338)
Correction of Retentions - Note 7	-	(116 562)
Reversal of payments made to suppliers - Note 7	-	(86 078)
Correction of Trade Creditors - Note 7	-	(1 710 067)
Restated Balance	-	13 487 463
Correction of Trade Creditors, Suspense accounts and reversal of creditors' payments.		
38.3 Taxes		
Balance previously reported	-	3 496 820
Correction of VAT Control Accounts - Note 9	-	(1 467 717)
Restated Balance	-	2 029 103
Correction of VAT Control Accounts.		
38.4 Property, Plant and Equipment		
Balance previously reported		112 462 781
Accumulated Depreciation	-	101 278
Other Assets sold in prior years - Note 11		101 278
Restated Balance	-	112 564 059
Removal of Accumulated Depreciation of Other Assets sold in prior years.		
38.5 Intangible Assets		
Balance previously reported		116 469
Accumulated Amortisation	-	57 011
Amortisation calculated incorrectly in 2013/2014 - Note 13	-	57 011
Restated Balance	-	173 479
Correction of amortisation for 2013/2014.		
38.6 Inventory		
Balance previously reported	-	52 427
Recognise Water Inventory - Note 14	-	22 784
Restated Balance	-	75 211
Recognised water inventory.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
38.7 Receivables from Non-Exchange Transactions		
Balance previously reported	-	2 120 632
Correction of Sundry Receipt Default Suspense Account - Note 16	-	(554)
Correction of Settlement Discount Suspense Account - Note 16	-	(85 304)
Correction of Refund Debtors Suspense Account - Note 16	-	(228)
Correction of Default Cash Suspense Account - Note 16	-	(19 912)
Restated Balance	-	2 014 635
Correction of Suspense Accounts.		
38.8 Cash and Cash Equivalents		
Balance previously reported	-	(3 325 676)
Correction of Call Deposits Accounts - Note 18	-	(34 988)
Restated Balance	-	(3 360 663)
Correction of Call Deposit.		
38.9 Accumulated Surplus/(Deficit) - 1 July 2012		
Correction of Sundry Default Suspense Account - Note 38.7	-	(554)
Correction of Settlement Discount Suspense Account - Note 38.7	-	(85 304)
Correction of Refund Debtors Suspense Account - Note 38.7	-	(228)
Correction of Default Cash Suspense Account - Note 38.7	-	(19 912)
Correction of Call Deposits Accounts - Note 38.8	-	(34 988)
Correction of Suspense Accounts - Note 38.2	-	16 338
Correction of Retentions - Note 38.2	-	116 562
Correction of VAT Control Accounts - Note 38.3	-	(1 467 717)
Accumulated Depreciation - Assets sold in prior years - Note 38.4	-	101 278
Correction of Trade Creditors - Note 38.2	-	1 710 067
Total	-	335 543

38.10 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property taxes		2 807 223	-	2 807 223
Government Grants and Subsidies		34 730 477	-	34 730 477
Public Contributions and Donations		473 515	-	473 515
Contributed Property, Plant and Equipment		346 617	-	346 617
Fines		553	-	553
Actuarial Gains		2 687	-	2 687
Service Charges		6 984 540	-	6 984 540
Rental of Facilities and Equipment		158 928	-	158 928
Interest Earned - external investments		87 603	-	87 603
Interest Earned - outstanding receivables		2 089 763	-	2 089 763
Licences and Permits		124 033	-	124 033
Income for Agency Services		343 398	-	343 398
Other Income		1 082 947	-	1 082 947
Total		49 232 283	-	49 232 283
Expenditure				
Employee related costs		(13 404 958)	-	(13 404 958)
Remuneration of Councillors		(2 031 259)	-	(2 031 259)
Debt Impairment		(4 853 085)	-	(4 853 085)
Depreciation and Amortisation		(8 463 236)	57 011	(8 406 225)
Repairs and Maintenance		(2 051 072)	-	(2 051 072)
Actuarial Losses		(82 113)	-	(82 113)
Finance Costs		(772 345)	-	(772 345)
Bulk Purchases		(7 237 394)	22 784	(7 214 611)
Contracted Services		(401 709)	-	(401 709)
Other Operating Grant Expenditure		(8 913 512)	86 078	(8 827 434)
General Expenses		(3 985 452)	61 044	(3 924 408)
Total		(52 196 134)	226 917	(51 969 217)
Net Surplus/(Deficit) for the year		(2 963 851)	226 917	(2 736 934)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R
39. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(23 399 379)	(2 736 934)
Adjustments for:		
Depreciation and amortisation	8 627 323	8 463 236
Loss/(Gain) on disposal of property, plant and equipment	-	23 186
Government Grants and Subsidies received	20 704 363	33 905 576
Government Grants and Subsidies recognised as revenue	(14 166 608)	(34 730 477)
Contribution to provisions – Non-Current Provisions	456 046	528 657
Contribution from/to provisions - Current Employee Benefits	1 032 221	1 006 720
Contribution from/to provisions - Non-Current Employee Benefits	274 392	245 856
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	311 813	82 113
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(11 468)	(2 687)
Contribution to provisions – Bad debt	6 844 485	4 853 085
Reversal of Provision for Bad debt	(1 898 508)	-
Operating lease income accrued	1 164	222
Operating Surplus/(Deficit) before changes in working capital	(1 224 156)	11 638 553
Changes in working capital	5 229 668	6 320 491
Increase/(Decrease) in Consumer Deposits	-	8 171
Increase/(Decrease) in Trade and Other Payables	13 099 694	7 706 267
Increase/(Decrease) in Employee Benefits	(717 797)	(677 716)
Increase/(Decrease) in Taxes	(769 394)	(1 582 002)
(Increase)/Decrease in Inventory	21 572	(14 950)
(Increase)/Decrease in Trade Receivables from exchange transactions	(5 066 121)	(2 931 888)
(Increase)/Decrease in Other Receivables from non-exchange transactions	(1 338 286)	3 812 609
Cash generated/(absorbed) by operations	4 005 512	17 959 044
40. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 18	(1 587 520)	(3 967 366)
Call Investments Deposits - Note 18	573 834	606 702
Total cash and cash equivalents	(1 013 686)	(3 360 663)
41. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 40	(1 013 686)	(3 360 663)
Less:	(13 095 075)	(5 217 918)
Unspent Committed Conditional Grants - Note 8	(13 095 075)	(5 217 918)
VAT - Note 9	-	-
Net cash resources available for internal distribution	(14 108 761)	(8 578 581)
Allocated to:		
Capital Replacement Reserve	-	-
Resources available for working capital requirements	(14 108 761)	(8 578 581)
42. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 2	453 682	615 029
Used to finance property, plant and equipment - at cost	(453 682)	(615 029)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

43. BUDGET COMPARISONS

	2014 Actual R	2014 Final Budget R	2014 Variance R	2014 Variance %
43.1 Operational Budget by Standard Classification				
<u>Revenue - Standard</u>				
Governance and Administration				
Executive and council	(1 821 260)	-	(1 821 260)	100.00%
Budget and Treasury Office	16 230 501	19 288 626	(3 058 125)	-15.85%
Corporate Services	693 426	(1 477 964)	2 171 390	-146.92%
Community and Public Safety				
Community and Social Services	591 005	478 493	112 512	23.51%
Sport and Recreation	610 431	19 373	591 058	3050.94%
Public Safety	-	-	-	
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services				
Planning and Development	284 374	250 000	34 374	13.75%
Road Transport	2 060 118	2 587 725	(527 607)	-20.39%
Environmental Protection		-	-	
Trading Services				
Electricity	4 749 484	3 934 287	815 197	20.72%
Water	3 768 512	3 734 969	33 543	0.90%
Waste Water Management	1 339 077	987 688	351 389	35.58%
Waste Management	1 805 350	2 058 771	(253 421)	-12.31%
Other		-	-	
Total Revenue	30 311 018	31 861 968	(1 550 950)	-4.87%
	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
<u>Expenditure - Standard</u>				
Governance and Administration				
Executive and council	(3 073 687)	(4 424 476)	1 350 789	-30.53%
Budget and Treasury Office	(11 292 403)	(10 826 793)	(465 610)	4.30%
Corporate Services	(9 476 514)	(6 456 465)	(3 020 049)	46.78%
Community and Public Safety				
Community and Social Services	-	-	-	
Sport and Recreation	(88 964)	(10 814)	(78 150)	722.67%
Public Safety	-	-	-	
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services				
Planning and Development	(846 843)	(731 286)	(115 557)	15.80%
Road Transport	(4 627 521)	(1 777 456)	(2 850 065)	160.35%
Environmental Protection	-	-	-	
Trading Services				
Electricity	(14 378 618)	(7 631 219)	(6 747 399)	88.42%
Water	(5 683 223)	(2 356 571)	(3 326 652)	141.16%
Waste Water Management	-	-	-	
Waste Management	(4 242 623)	(1 805 676)	(2 436 947)	134.96%
Other		-	-	
Total Expenditure	(53 710 397)	(36 020 756)	(17 689 641)	49.11%
Surplus/(Deficit) for the year	(23 399 379)	(4 158 788)	(19 240 591)	462.65%

Details of material variances

Refer to note 44 for explanations.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
43.2 Capital Expenditure by Standard Classification				
Governance and Administration				
Executive and council	-	-	-	
Budget and Treasury Office	-	-	-	
Corporate Services	-	-	-	
Community and Public Safety				
Community and Social Services	-	-	-	
Sport and Recreation	-	-	-	
Public Safety	-	-	-	
Housing	-	-	-	
Health	-	-	-	
Economic and Environmental Services				
Planning and Development	-	-	-	
Road Transport	-	-	-	
Environmental Protection	-	-	-	
Trading Services				
Electricity	-	-	-	
Water	1 515 143	11 095 000	(9 579 857)	-86.34%
Waste Water Management	-	-	-	
Waste Management	-	-	-	
Other	-	-	-	
Total Capital Expenditure	1 515 143	11 095 000	(9 579 857)	-86.34%

Details of material variances

Refer to note 44 for explanations.

43.3 Operational Budget by Municipal Vote

Revenue - Vote

Executive and Council	(1 821 260)	-	(1 821 260)	100.00%
Municipal Manager	(1 821 260)	-	(1 821 260)	100.00%
Councillors	-	-	-	
Finance and Administration	17 671 925	17 804 387	(132 462)	-0.74%
Finance	16 230 501	16 843 574	(613 073)	-3.64%
Administration	856 664	960 813	(104 149)	-10.84%
Commonage	584 760	-	584 760	100.00%
Community and Social Services	6 244	478 493	(472 249)	-98.70%
Cemeteries	5 311	9 878	(4 567)	-46.24%
Libraries	934	468 615	(467 681)	-99.80%
Sport and Recreation	610 431	19 373	591 058	3050.94%
Sportgrounds and Community Facilities	596 169	-	596 169	100.00%
Caravan Park	14 263	19 373	(5 110)	-26.38%
Waste Management	1 805 350	2 058 771	(253 421)	-12.31%
Refuse and Sanitation	1 805 350	2 058 771	(253 421)	-12.31%
Water	3 768 512	3 734 969	33 543	0.90%
Water	3 768 512	3 734 969	33 543	0.90%
Electricity	4 749 484	3 934 287	815 197	20.72%
Electricity	4 749 484	3 934 287	815 197	20.72%
Economic and Social Development	121 136	250 000	(128 864)	-51.55%
Local Economic Development	121 136	250 000	(128 864)	-51.55%
Technical and Roads	2 060 118	2 594 275	(534 157)	-20.59%
Streets	2 060 118	2 594 275	(534 157)	-20.59%
Waste Water Management	1 339 077	987 413	351 664	35.61%
Sewerage	1 339 077	987 413	351 664	35.61%
Total Revenue	30 311 018	31 861 968	(1 550 950)	-4.87%

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
<u>Expenditure - Vote</u>				
Executive and Council	(3 073 687)	(4 424 476)	1 350 789	-30.53%
Municipal Manager	(804 302)	(1 876 911)	1 072 609	-57.15%
Councillors	(2 269 385)	(2 547 565)	278 180	-10.92%
Finance and Administration	(20 768 918)	(17 283 258)	(3 485 660)	20.17%
Finance	(11 292 403)	(10 826 793)	(465 610)	4.30%
Administration	(9 476 514)	(6 456 465)	(3 020 049)	46.78%
Commonage	-	-	-	
Community and Social Services	-	-	-	
Cemeteries	-	-	-	
Libraries	-	-	-	
Sport and Recreation	(88 964)	(10 814)	(78 150)	722.67%
Sportgrounds and Community Facilities	(88 964)	-	(88 964)	100.00%
Caravan Park	-	(10 814)	10 814	-100.00%
Waste Management	(4 242 623)	(1 805 676)	(2 436 947)	134.96%
Refuse and Sanitation	(4 242 623)	(1 805 676)	(2 436 947)	134.96%
Water	(5 683 223)	(2 356 571)	(3 326 652)	141.16%
Water	(5 683 223)	(2 356 571)	(3 326 652)	141.16%
Electricity	(14 378 618)	(7 631 219)	(6 747 399)	88.42%
Electricity	(14 378 618)	(7 631 219)	(6 747 399)	88.42%
Economic and Social Development	(846 843)	(731 286)	(115 557)	15.80%
Local Economic Development	(846 843)	(731 286)	(115 557)	15.80%
Technical and Roads	(4 627 521)	(1 777 456)	(2 850 065)	160.35%
Streets	(4 627 521)	(1 777 456)	(2 850 065)	160.35%
Waste Water Management	-	-	-	
Sewerage	-	-	-	
Total Expenditure	(53 710 397)	(36 020 756)	(17 689 641)	320.69%
Surplus/(Deficit) for the year	(23 399 379)	(4 158 788)	(19 240 591)	462.65%

Details of material variances

Refer to note 44 for explanations.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 Actual R	2014 Budget R	2014 Variance R	2014 Variance %
43.4 Capital Expenditure by Municipal Vote				
Executive and Council	-	-	-	
Municipal Manager	-	-	-	
Councillors	-	-	-	
Finance and Administration	-	-	-	
Finance	-	-	-	
Administration	-	-	-	
Commonage	-	-	-	
Community and Social Services	-	-	-	
Cemeteries	-	-	-	
Libraries	-	-	-	
Sport and Recreation	-	-	-	
Sportgrounds and Community Facilities	-	-	-	
Caravan Park	-	-	-	
Waste Management	-	-	-	
Refuse and Sanitation	-	-	-	
Water	1 515 143	11 095 000	(9 579 857)	-86.34%
Water	1 515 143	11 095 000	(9 579 857)	-86.34%
Electricity	-	-	-	
Electricity	-	-	-	
Economic and Social Development	-	-	-	
Local Economic Development	-	-	-	
Technical and Roads	-	-	-	
Streets	-	-	-	
Waste Water Management	-	-	-	
Sewerage	-	-	-	
Total Capital Expenditure	1 515 143	11 095 000	(9 579 857)	

Details of material variances

Refer to note 44 for explanations.

44. BUDGET INFORMATION

44.1 Explanation of variances between approved and final budget amounts

The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.

Explanation of variances greater than 5%: Final Budget and Actual Amounts

Statement of Financial Position

44.2.1 Current Assets

Cash

Incorrect budgeting.

Call Investment Deposits

Cash portion of unspent grants.

Consumer Debtors

Incorrect budgeting.

Other Debtors

Increase in sundry debtors.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Inventory

Decrease in inventory: consumables.

44.2.2 Non-Current Assets

Investment Property

Investment Property included under Property, Plant and Equipment.

Property, Plant and Equipment

Correction of asset register.

Intangible Assets

Correction of asset register.

44.2.3 Current Liabilities

Bank Overdraft

Repayment of bank overdraft took longer than expected.

Borrowing

Repayment of finance leases.

Consumer Deposits

Incorrect budgeting.

Trade and Other Payables

Increase due to cash flow problems.

Provisions

Incorrect budgeting.

44.2.4 Non-Current Liabilities

Borrowing

Repayment of finance leases.

Provisions

Provision for rehabilitation of landfill-sites and post-retirement benefits not included in budget.

44.2.5 Net Assets

Accumulated Surplus/(Deficit)

Net effect of all movements.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Statement of Financial Performance

44.2.6 Revenue

Property Rates

Incorrect budgeting.

Service Charges - Electricity Revenue

Consumption less than budgeted consumption.

Service Charges - Water Revenue

Consumption less than budgeted consumption.

Service Charges - Sanitation Revenue

Increase in consumption.

Service Charges - Refuse Revenue

Consumption less than budgeted consumption.

Service Charges - Other Revenue

Availability charges included under other service charges.

Rental of Facilities and Equipment

Increase in rental of buildings.

Interest Earned - External Investments

Increase in interest on call deposits.

Interest Earned - Outstanding Debtors

Increase due to non-payment by consumers.

Fines

Additional fines received from Provincial Traffic.

Licences and Permits

Incorrect budgeting.

Agency Services

Incorrect budgeting.

Transfers Recognised - Operational

Decrease due to unspent grants on year-end.

Other Revenue

Increase in public contributions.

Transfers Recognised - Capital

Decrease due to unspent grants on year-end.

44.2.7 Expenditure

Remuneration of Councillors

Decrease in travelling expenses.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Debt Impairment

Increase in provision for debt impairment.

Depreciation and Asset Impairment

Increase due to correction of asset register.

Finance Charges

Interest cost of provision for rehabilitation of landfill-site and post-retirement benefits not included in budget.

Bulk Purchases

Increase in consumer consumption.

Contracted Services

Contracted services budgeted under Other Expenditure.

Other Expenditure

Increase in operating grant expenditure.

Loss on Disposal of PPE

Finance leases repaid during the year.

Cash Flow Statement

44.2.8 Net Cash from Operating Activities

Ratepayers and other

Increase in consumer debt.

Government - Operating

Unspent grants on year-end.

Government - Capital

Unspent grants on year-end.

Interest

Interest on call accounts not included in budget.

Suppliers and Employees

Post-retirement benefits not included in budget.

Finance Charges

Increase in interest paid.

44.2.9 Net Cash from Investing Activities

Proceeds on disposal of PPE

Settlement of finance leases.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Capital Assets

*Underspending of capital budget.***44.2.10 Net Cash from Financing Activities**

Repayment of Borrowing

Settlement of finance leases.

	2014 R	2013 R
45. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
45.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	70 229 506	45 252 914
Unauthorised expenditure current year - operational	19 040 430	18 522 376
Unauthorised expenditure current year - capital	-	6 454 216
Approved by Council or condoned	-	-
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	89 269 936	70 229 506

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved budget - 2010	To be condoned by Council	29 684	29 684
Over expenditure of approved budget - 2011	To be condoned by Council	28 371 069	28 371 069
Over expenditure of approved budget - 2012	To be condoned by Council	16 738 583	16 738 583
Over expenditure of approved budget - 2013	To be condoned by Council	24 976 592	24 976 592
Over expenditure of approved budget - 2014	To be condoned by Council	19 040 430	
Bank Shortages - 2011	None	28 274	28 274
Fraud Vehicle Registration - 2011	None	78 504	78 504
Withdrawal by former CFO, EB Toontjies - 2011	None	6 800	6 800
		89 269 936	70 229 506

45.2 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	788 798	788 798
Fruitless and wasteful expenditure current year	488 970	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	1 277 768	788 798

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Legal Cost (Hondekliipbaai Stands) - 2011	None	199 191	199 191
Interest on late payment - Various Creditors - 2011	None	417 306	417 306
Interest on late payment - Various Creditors - 2012	None	172 301	172 301
Interest on late payment - Various Creditors - 2014	None	315 131	-
Interest and penalties paid to SARS - 2014	None	173 839	-
		1 277 768	788 798

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 R	2013 R									
45.3 Irregular expenditure											
Reconciliation of irregular expenditure:											
Opening balance	6 377 155	6 377 155									
Irregular expenditure current year	-	-									
Expenditure authorised i.t.o. Section 32 of MFMA	-	-									
Condonement supported by council	-	-									
Transfer to receivables for recovery - not condoned	-	-									
Irregular expenditure awaiting further action	6 377 155	6 377 155									
Irregular expenditure awaiting condonement from National Treasury	6 377 155	6 377 155									
Irregular expenditure can be summarised as follow:											
<table><tr><th>Incident</th><th></th><th>Disciplinary steps/criminal proceedings</th></tr><tr><td>Expenditure contrary to SCM Processes - 2010</td><td></td><td>None</td></tr><tr><td>Expenditure contrary to SCM Processes - 2012</td><td></td><td>None</td></tr></table>	Incident		Disciplinary steps/criminal proceedings	Expenditure contrary to SCM Processes - 2010		None	Expenditure contrary to SCM Processes - 2012		None		
Incident		Disciplinary steps/criminal proceedings									
Expenditure contrary to SCM Processes - 2010		None									
Expenditure contrary to SCM Processes - 2012		None									
	3 715 210	3 715 210									
	2 661 945	2 661 945									
	6 377 155	6 377 155									
Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.											
46. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT											
46.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)											
Opening balance	368 648	168 648									
Council subscriptions	450 000	400 000									
Amount paid - current year	-	(200 000)									
Amount paid - previous years	-	-									
Balance unpaid (included in creditors)	818 648	368 648									
46.2 Audit fees - [MFMA 125 (1)(c)]											
Opening balance	4 720 824	3 746 405									
Current year audit fee	2 050 446	1 274 419									
External Audit - Auditor-General	1 689 666	1 083 861									
Internal Audit	125 000										
Interest	235 780	190 558									
Amount paid - current year	-	-									
Amount paid - previous year	-	(300 000)									
Balance unpaid (included in creditors)	6 771 270	4 720 824									
46.3 VAT - [MFMA 125 (1)(c)]											
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 9.											
46.4 PAYE and UIF - [MFMA 125 (1)(c)]											
Opening balance	391 616	-									
Current year payroll deductions	1 714 983	1 554 199									
Amount paid - current year	(596 158)	(1 162 584)									
Balance unpaid (included in creditors)	1 510 441	391 616									
46.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]											
Opening balance	349 624	-									
Current year payroll deductions and Council Contributions	2 827 685	2 318 133									
Amount paid - current year	(1 598 420)	(1 968 509)									
Amount paid - previous year	(349 623)	-									
Balance unpaid (included in creditors)	1 229 266	349 624									

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

46.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]

The following Councillors had arrear accounts for more than 90 days as at 30 June 2014:

**Outstanding
more than 90
days**

MR Klaase

2 595

46.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)

	Amount	Single Supplier	Type of Deviation			Emergency
			Impossible	Impractical		
July	113 853	2	-	8	-	-
August	95 233	1	-	9	-	-
September	90 761	-	-	4	-	-
October	151 975	3	-	8	-	-
November	123 189	-	-	6	-	-
December	67 289	1	-	8	-	-
January	35 738	2	-	4	-	-
February	23 341	3	-	5	-	-
March	192 582	1	-	4	-	-
April	25 702	1	-	3	-	-
May	35 599	1	-	1	-	-
June	17 934	-	-	6	-	-
	<u>973 196</u>	<u>15</u>	<u>-</u>	<u>66</u>		<u>-</u>
				2014 R		2013 R

46.8 Material losses**Electricity distribution losses**

Units purchased (Kwh)	6 364 907	5 894 569
Units lost during distribution (Kwh)	1 825 667	1 943 251
Percentage lost during distribution	28.68%	32.97%
Distribution loss (Rand Value)	1 918 155	2 080 121

Water distribution losses

Units purchased (ml)	379 971	262 412
Units lost during distribution (ml)	159 321	51 216
Percentage lost during distribution	41.93%	19.52%
Distribution loss (Rand Value)	1 193 314	383 608

47. CAPITAL COMMITMENTS**Commitments in respect of capital expenditure:**

Approved and contracted for:

Infrastructure	5 542 931	16 283 048
Community	5 542 931	11 515 956
Other	-	4 767 092
	-	-

Total

5 542 931 **16 283 048**

This expenditure will be financed from:

Government Grants	5 542 931	16 283 048
-------------------	-----------	------------

Total

5 542 931 **16 283 048**

48. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

	2014 R	2013 R
1% (2013: 1%) Increase in interest rates	17 077	39 940
1% (2013: 1%) Decrease in interest rates	(17 077)	(39 940)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

The credit quality of receivables are further assessed by grouping individual debtors into different categories with similar risk profiles. The categories include the following: Bad Debt, Deceased, Good payers, Slow Payers, Government Departments, Debtors with Arrangements, Indigents, Municipal Workers, Handed over to Attorneys and Untraceable account. These categories are then impaired on a group basis based on the risk profile/credit quality associated with the group.

All rates and services are payable within 30 days from invoice date. Refer to note 15 and 16 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2014 %	2014 R	2013 %	2013 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	8 392 502	100.00%	7 060 268
<u>Exchange Receivables</u>				
Electricity	15.01%	4 284 276	15.58%	3 655 580
Water	29.16%	8 322 017	27.32%	6 412 326
Housing Rentals	0.00%	-	0.00%	-
Refuse	12.68%	3 618 153	12.48%	2 929 663
Sewerage	6.66%	1 900 324	5.81%	1 363 764
Other	36.48%	10 409 679	38.81%	9 106 992
	100.00%	28 534 448	100.00%	23 468 327

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 15 and 16 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2014 %	2014 R	2013 %	2013 R
<u>Long-term Receivables</u>				
Rates and Services	0.00%	-	0.00%	-
<u>Non-exchange Receivables</u>				
Rates	10.38%	3 164 556	19.83%	5 063 065
<u>Exchange Receivables</u>				
Services	89.62%	27 318 313	80.17%	20 473 828
	100.00%	30 482 869	100.00%	25 536 893

Ageing of amounts past due but not impaired are as follow:**2014**

1 month past due	-	430 870
2+ months past due	433 086	4 655 625
	433 086	5 086 495

2013

1 month past due	695 401	125 611
2+ months past due	1 582 045	1 740 068
	2 277 446	1 865 679

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where

	2014 R	2013 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	28 534 448	23 468 327
Receivables from non-exchange transactions	8 415 985	7 077 699
Cash and Cash Equivalents	573 834	641 690
Unpaid Conditional Grants and Subsidies	1 339 402	-
	38 863 669	31 187 715

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

KAMIESBERG MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2014				
Long-term Liabilities	225 555	344 985	-	-
Trade and Other Payables	26 587 157	-	-	-
	<u>26 812 712</u>	<u>344 985</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2013				
Long-term Liabilities	250 311	570 540	-	-
Trade and Other Payables	13 487 463	-	-	-
	<u>13 737 774</u>	<u>570 540</u>	<u>-</u>	<u>-</u>
			2014 R	2013 R
49. FINANCIAL INSTRUMENTS				
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:				
Receivables from Exchange Transactions				
Electricity	Financial Instruments at amortised cost	4 284 276	3 655 580	
Water	Financial Instruments at amortised cost	8 322 017	6 412 326	
Refuse	Financial Instruments at amortised cost	3 618 153	2 929 663	
Sewerage	Financial Instruments at amortised cost	1 900 324	1 363 764	
Other Arrears	Financial Instruments at amortised cost	10 409 679	9 106 992	
Cash and Cash Equivalents				
Call Deposits	Financial Instruments at amortised cost	573 834	641 690	
Total Financial Assets		29 108 282	24 110 017	
SUMMARY OF FINANCIAL ASSETS				
Financial Instruments at amortised cost:				
Receivables from Exchange Transactions	Electricity	4 284 276	3 655 580	
Receivables from Exchange Transactions	Water	8 322 017	6 412 326	
Receivables from Exchange Transactions	Refuse	3 618 153	2 929 663	
Receivables from Exchange Transactions	Sewerage	1 900 324	1 363 764	
Receivables from Exchange Transactions	Other Arrears	10 409 679	9 106 992	
Cash and Cash Equivalents	Call Deposits	573 834	641 690	
		<u>29 108 282</u>	<u>24 110 017</u>	
Total Financial Assets		29 108 282	24 110 017	
49.2 Financial Liabilities	Classification			
Trade and Other Payables				
Trade Creditors	Financial Instruments at amortised cost	22 157 526	12 158 508	
Retentions	Financial Instruments at amortised cost	68 165	184 727	
Sundry Deposits	Financial Instruments at amortised cost	3 595 541	2 327 770	
		<u>26 274 914</u>	<u>15 286 034</u>	
SUMMARY OF FINANCIAL LIABILITIES				
Financial instruments at amortised cost:				
Long-term Liabilities	Capitalised Lease Liability	453 682	615 029	
Trade and Other Payables	Trade Creditors	22 157 526	12 158 508	
Trade and Other Payables	Retentions	68 165	184 727	
Trade and Other Payables	Sundry Deposits	3 595 541	2 327 770	
		<u>26 274 914</u>	<u>15 286 034</u>	
50. EVENTS AFTER THE REPORTING DATE				
The Municipality is not aware of any events after the reporting date.				
51. IN-KIND DONATIONS AND ASSISTANCE				
The municipality received the following in-kind donations and assistance:				
(i) Secondment of a Finance Advisor by National Treasury for two years.				

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

52. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

53. CONTINGENT LIABILITY

Claims against Council

940 000

1 300 000

The municipality is being sued by the widow of Mr LJ Swart for damages and loss of support. The municipality allegedly failed to switch of the electricity supply to the supply system on which Mr Swart was working as an independent contractor on behalf of the municipality, which caused Mr Swart to receive a fatal electrical shock. The municipality is defending the claim based on legal advice. A trial date has not been set to date. The claimed amount does not include legal costs. The outcome of the case is still uncertain.

The municipality does not have a permit or license for landfill-sites currently in use in Garies and Hondeklip Bay, and could be liable for a penalty, to a maximum amount of R10 000 000, in terms of section 68(1) National Environmental Management: Waste Act, 2008 (Act No. 59 of 2008).

54. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

54.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2014				
Councillors				
MJ Cloete	2 259	19 196	-	1 256
SC Nero	34	1 496	-	232
MR Klaase	-	8 450	-	4 503
MS Cardinal	144	1 547	-	213
	2 437	30 689	-	6 204
Municipal Manager and Section 57 Employees				
FA Links	292	3 738	-	734
DC Beukes	-	2 457	-	451
JG Cloete	-	9 407	-	1 735
	292	15 602	-	2 920
Year ended 30 June 2013				
Councillors				
MJ Cloete	1 116	14 290	-	3 075
SC Nero	50	1 809	-	2 722
MR Klaase	370	4 985	-	1 159
MS Cardinal	144	1 592	-	108
	1 681	22 675	-	7 064
Municipal Manager and Section 57 Employees				
D Beukes	-	1 895	-	284
FA Links	286	5 082	-	530
JG Cloete	-	1 112	-	752
	286	8 088	-	1 565

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

54.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted.

54.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

55. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Kamiesberg communities resulted in a serious risk for Kamiesberg Municipality's going concern.

Unless sustainable job creation is achieved, Kamiesberg Municipality will not be able to function as a going concern without Government Grants and Subsidies.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

11. PROPERTY, PLANT AND EQUIPMENT

11.1 30 JUNE 2014

Reconciliation of Carrying Value						
	Land R	Buildings R	Infrastructure R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2013	7 275 297	11 821 822	90 739 752	578 924	2 148 264	112 564 059
Cost	7 275 297	20 539 026	190 622 734	906 055	4 312 288	223 655 400
Original Cost	7 275 297	20 539 026	190 622 734	906 055	4 312 288	223 655 400
Accumulated Depreciation and Impairment Losses	-	(8 717 204)	(99 882 982)	(327 131)	(2 164 024)	(111 091 342)
Original Cost	-	(8 717 204)	(99 882 982)	(327 131)	(2 164 024)	(111 091 342)
Acquisitions	-	-	-	-	-	-
Capital under Construction	-	-	1 515 143	-	-	1 515 143
Depreciation	-	(724 918)	(7 157 449)	(167 370)	(546 140)	(8 595 878)
Normal Depreciation	-	(724 918)	(7 157 449)	(167 370)	(546 140)	(8 595 878)
Backlog Depreciation previously not recorded	-	-	-	-	-	-
Carrying value of disposals	-	-	-	(17 955)	-	(17 955)
Cost	-	-	-	(134 021)	-	(134 021)
Accumulated Depreciation	-	-	-	116 066	-	116 066
Impairment losses	-	-	(1 677 796)	-	-	(1 677 796)
IGRAP 2 Adjustments	-	-	(1 677 796)	-	-	(1 677 796)
Carrying Value at 30 June 2014	7 275 297	11 096 904	83 419 650	393 600	1 602 123	103 787 573
Cost	7 275 297	20 539 026	192 137 877	772 035	4 312 288	225 036 522
Original Cost	7 275 297	20 539 026	192 137 877	772 035	4 312 288	225 036 522
Accumulated Depreciation and Impairment Losses	-	(9 442 123)	(108 718 227)	(378 435)	(2 710 164)	(121 248 949)
Original Cost	-	(9 442 123)	(108 718 227)	(378 435)	(2 710 164)	(121 248 949)

13.2 30 JUNE 2013

Reconciliation of Carrying Value						
	Land R	Buildings R	Infrastructure R	Lease Assets R	Other R	Total R
Carrying Value at 1 July 2012	7 275 297	11 202 439	81 507 300	517 472	2 092 455	102 594 963
Cost	7 275 297	19 264 431	174 462 219	963 767	3 653 506	205 619 220
Original Cost	7 275 297	19 264 431	174 462 219	963 767	3 653 506	205 619 220
Accumulated Depreciation and Impairment Losses	-	(8 061 992)	(92 954 919)	(446 295)	(1 561 051)	(103 024 257)
Original Cost	-	(8 061 992)	(92 954 919)	(446 295)	(1 662 329)	(103 125 535)
Correction of Error - Note 38.4	-	-	-	-	101 278	101 278
Acquisitions	-	1 274 595	14 806 023	346 248	704 782	17 131 648
Capital under Construction	-	-	1 354 492	-	-	1 354 492
Depreciation	-	(655 212)	(6 928 062)	(188 532)	(602 973)	(8 374 780)
Normal Depreciation	-	(655 212)	(6 928 062)	(188 532)	(602 973)	(8 374 780)
Carrying value of disposals	-	-	-	(96 265)	(46 000)	(142 265)
Cost	-	-	-	(403 960)	(46 000)	(449 960)
Accumulated Depreciation	-	-	-	307 695	-	307 695
Carrying Value at 30 June 2013	7 275 297	11 821 822	90 739 752	578 924	2 148 264	112 564 059
Cost	7 275 297	20 539 026	190 622 734	906 055	4 312 288	223 655 400
Original Cost	7 275 297	20 539 026	190 622 734	906 055	4 312 288	223 655 400
Accumulated Depreciation and Impairment Losses	-	(8 717 204)	(99 882 982)	(327 131)	(2 164 024)	(111 091 342)
Original Cost	-	(8 717 204)	(99 882 982)	(327 131)	(2 164 024)	(111 091 342)

APPENDIX A
KAMIESBERG MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2014

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2013	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2014
LEASE LIABILITY								
Nashua	14.00%	Various		602 447	-	-	(150 817)	451 630
Nashua Mobile	10.00%	Various		12 583	-	-	(10 530)	2 053
Total Lease Liabilities				615 030	-	-	(161 347)	453 683
TOTAL EXTERNAL LOANS				615 030	-	-	(161 347)	453 683

APPENDIX B
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
346 617	(2 945 783)	(2 599 167)	Executive & Council	(1 821 260)	(3 073 687)	(4 894 947)
28 741 667	(7 676 459)	21 065 208	Budget & Treasury Office	16 230 501	(11 292 403)	4 938 098
744 548	(10 946 394)	(10 201 846)	Corporate Services	693 426	(9 476 514)	(8 783 089)
305 863	(982 078)	(676 215)	Planning & Development	284 374	(846 843)	(562 469)
-	-	-	Health	-	-	-
499 194	(89 701)	409 493	Community & Social Services	591 005	-	591 005
-	-	-	Housing	-	-	-
-	-	-	Public Safety	-	-	-
19 893	(127 762)	(107 869)	Sport and Recreation	610 431	(88 964)	521 467
-	-	-	Environmental Protection	-	-	-
1 734 600	(6 959 537)	(5 224 937)	Waste Management	1 805 350	(4 242 623)	(2 437 272)
1 039 941	-	1 039 941	Waste Water Management	1 339 077	-	1 339 077
6 832 297	(7 451 069)	(618 772)	Road Transport	2 060 118	(4 627 521)	(2 567 404)
3 436 215	(5 011 357)	(1 575 142)	Water	3 768 512	(5 683 223)	(1 914 711)
5 446 574	(9 694 203)	(4 247 629)	Electricity	4 749 484	(14 378 618)	(9 629 135)
49 147 411	(51 884 344)	(2 736 934)	Sub Total	30 311 018	(53 710 397)	(23 399 379)
-	-	-	Less Inter-Departmental Charges	-	-	-
49 147 411	(51 884 344)	(2 736 934)	Total	30 311 018	(53 710 397)	(23 399 379)

APPENDIX C
KAMIESBERG MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2014
MUNICIPAL VOTES CLASSIFICATIONS

2013 Actual Income R	2013 Actual Expenditure R	2013 Surplus/ (Deficit) R		2014 Actual Income R	2014 Actual Expenditure R	2014 Surplus/ (Deficit) R
346 617	(431 565)	(84 949)	EXECUTIVE & COUNCIL			
-	(2 514 218)	(2 514 218)	Municipal Manager	(1 821 260)	(804 302)	(2 625 562)
			Councillors	-	(2 269 385)	(2 269 385)
			FINANCE & ADMINISTRATION			
28 741 667	(7 676 459)	21 065 208	Finance	16 230 501	(11 292 403)	4 938 098
744 548	(10 946 394)	(10 201 846)	Administration	856 664	(9 476 514)	(8 619 850)
492 555	(69 422)	423 133	Commonage	584 760	-	584 760
			COMMUNITY & SOCIAL SERVICES			
6 086	(20 279)	(14 193)	Cemeteries	5 311	-	5 311
553	-	553	Libraries	934	-	934
			SPORT AND RECREATION			
106 198	(96 842)	9 356	Sportgrounds and Community Facilities	596 169	(88 964)	507 205
19 893	(30 920)	(11 027)	Caravan Park	14 263	-	14 263
			WASTE MANAGEMENT			
1 734 600	(6 959 537)	(5 224 937)	Refuse and Sanitation	1 805 350	(4 242 623)	(2 437 272)
			WATER			
3 436 215	(5 011 357)	(1 575 142)	Water	3 768 512	(5 683 223)	(1 914 711)
			ELECTRICITY			
5 446 574	(9 694 203)	(4 247 629)	Electricity	4 749 484	(14 378 618)	(9 629 135)
			ECONOMIC AND SOCIAL DEVELOPMENT			
199 665	(982 078)	(782 413)	Local Economic Development	121 136	(846 843)	(725 707)
			TECHNICAL AND ROADS			
6 832 297	(7 451 069)	(618 772)	Streets	2 060 118	(4 627 521)	(2 567 404)
			WASTE WATER MANAGEMENT			
1 039 941	-	1 039 941	Sewerage	1 339 077	-	1 339 077
49 147 411	(51 884 344)	(2 736 934)	Sub Total	30 311 018	(53 710 397)	(23 399 379)
-	-	-	Less Inter-Departmental Charges	-	-	-
49 147 411	(51 884 344)	(2 736 934)	Total	30 311 018	(53 710 397)	(23 399 379)

APPENDIX D
KAMIESBERG MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2013	Correction of Error	Restated Balance 30 June 2013	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2014	Unspent 30 June 2014 (Creditor)	Unpaid 30 June 2014 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	8 728 000	-	-	(8 728 000)	-	-	-	-
Finance Management Grant	-	-	-	1 650 000	-	-	(1 697 490)	-	(47 490)	-	(47 490)
Municipal System Improvement Grant	372 678	-	372 678	890 000	-	-	(786 651)	-	476 027	476 027	-
Municipal Infrastructure Grant	3 685 397	-	3 685 397	6 595 000	-	-	-	(329 276)	9 951 121	9 951 121	-
Integrated National Electrification Grant	173 405	-	173 405	200 000	-	-	-	(208 600)	164 805	164 805	-
Total National Government Grants	4 231 480	-	4 231 480	18 063 000	-	-	(11 212 141)	(537 876)	10 544 463	10 591 953	(47 490)
<u>Provincial Government Grants</u>											
Expanded Public Works Programme	-	-	-	1 000 000	-	-	(71 380)	-	928 620	928 620	-
Department Water Affairs and Environment	141 362	-	141 362	-	-	-	-	-	141 362	141 362	-
Housing	504 697	-	504 697	-	-	-	(1 796 609)	-	(1 291 912)	-	(1 291 912)
Library	-	-	-	462 000	-	-	(243 781)	-	218 219	218 219	-
Project Nala	236 450	-	236 450	504 866	-	-	(121 136)	-	620 180	620 180	-
Department Finance, Economic Development & Tourism	50 000	-	50 000	-	-	-	-	-	50 000	50 000	-
Tourism	22 776	-	22 776	55 675	-	-	-	-	78 451	78 451	-
Department Social Services	482	-	482	-	-	-	-	-	482	482	-
Department Sport, Arts and Culture	6 262	-	6 262	-	-	-	-	-	6 262	6 262	-
Drought Relief	24 409	-	24 409	-	-	-	-	-	24 409	24 409	-
Total Provincial Government Grants	986 438	-	986 438	2 022 541	-	-	(2 232 906)	-	776 073	2 067 985	(1 291 912)
<u>District Municipality</u>											
Namakwa DM	-	-	-	618 822	-	-	(183 685)	-	435 137	435 137	-
<i>list</i>	-	-	-	-	-	-	-	-	-	-	-
Total District Municipality Grants	-	-	-	618 822	-	-	(183 685)	-	435 137	435 137	-
Total Grants	5 217 918	-	5 217 918	20 704 363	-	-	(13 628 732)	(537 876)	11 755 673	13 095 075	(1 339 402)

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.